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STATUS OF MANAGEMENT SERVICES

Report of the Administrator

SUMMARY

The present report is submitted in response to Governing Council decision 88/54 of 1 July 1988 which requested the Administrator to report to the Council every two years on the status of management services undertaken by UNDP. It reports on the latest experience of UNDP in providing management services in the period 1990 and 1991 and responds to the questions raised in Council decision 90/46, following review of the previous biennial report at the Council's thirty-seventh session.

The use of management services continued to grow, though at a slower pace during 1990 and 1991, with no significant new trends emerging since the last report to the Council. Development bank borrowers and bilateral aid recipients engaged the UNDP in 59 new agreements during this period bringing the total value of active management services projects at the Office for Project Services (OPS) to $305 million by end 1991. Since 1989, $218 million has been expended on such projects. Through the provision of management services, UNDP continues to assist recipient Governments to utilize funds made available for development efforts and to mobilize greater resources. Such services also strengthen the role of UNDP in aid coordination at the country level. The Administrator is confident that management services, in keeping with the guidelines cited in operative paragraph 2 of Governing Council decision 90/46, provide a multilateral "added value" and contribute to the development objectives of the countries where they are undertaken. The Administrator is equally confident that support costs are fully recovered and that management services do not have an adverse effect on the level of contributions to UNDP core resources.

INTRODUCTION

1. In its decision 83/5 of 24 June 1983, the Governing Council authorized the Administrator to provide management services if requested by recipient Governments. The following services were seen as likely to be provided: (a) management, in whole or in part, of projects on behalf of the donors; (b) elaboration of project or programme proposals, including project identification and formulation of project documents; (c) such assistance in the provision of inputs to projects as advice or assistance in recruitment of personnel or procurement of goods and services; (d) such logistic support as customs clearance, dispensary facilities, clerical or transportation assistance; and (e) monitoring or supervision of projects.

2. At its thirty-fifth session, following review of the Administrator's report (DP/1988/59) on experience gained in the provision of management services, the Governing Council, in its decision 88/54, requested that a report on the status of management services be submitted every two years, beginning in 1990. In its decision 90/46, in response to the first of these biennial reports (DP/1990/67), the Council: (a) recognized the concrete advantages that have accrued to the development process and to recipient countries from the provision of management services; (b) approved more specific guidelines for the use of management services; (c) authorized continued use of the modality; and (d) urged the Administrator in his next biennial report to report on evaluations undertaken on projects funded by bilateral donors. Both in his first report on management services (DP/1988/59) and in the succeeding biennial report (DP/1990/67), the Administrator concluded that the management services modality was a useful mechanism for the delivery of project inputs and that it strengthened and supported coordination of development aid resources at the field level. The Administrator furthermore concluded that: (a) UNDP resources were not used to subsidize the cost of providing assistance under management services agreements; (b) the multilateral character of UNDP and its role as a central funding agency for technical assistance was not weakened by the use of the modality; (c) contributions to UNDP core resources had not appeared to suffer as a result of bilaterally funded management services projects; and (d) the guidelines for the provision of management services remained appropriate.

3. The Administrator is satisfied that the earlier conclusions regarding the management services modality remain valid. Since the inception of management services agreements, expenditures on these projects have shown steady growth, a pattern that has continued but at a slower pace in the past two years. No significant new trends are evident in the provision of management services apart from the rapid growth in expenditures under the Japanese procurement of commodities programme. The Japanese programme, begun in 1988, finances the purchase of equipment and commodities for least developed countries that are implementing structural adjustment reforms. (See paragraphs 22-24 below.)

I. STATUS AND GROWTH OF MANAGEMENT SERVICES OPERATIONS

4. Programmes benefiting from management services provided by UNDP continue to be funded by such multilateral lending institutions as the World Bank and its International Development Association (IDA), the Inter-American Development Bank (IDB) and the International Fund for Agricultural Development (IFAD); by individual donor countries; and, to a much lesser extent, by recipient countries themselves. Yearly expenditures have risen over the past two years (see table 1), though the rate of increase has flattened considerably compared to the years prior to 1990.

5. The proportion of OPS-supported projects implemented under management services agreements remains roughly equivalent to prior years, accounting for 10 per cent of the total number of active projects. In dollar terms, the proportion remains the same as in 1990 (approximately 30 per cent) and continues to reflect larger average values for management services projects. These projects, then, continue to constitute an important part of OPS activities, due again to consistent growth in the Japanese-funded procurement of commodities programme.

6. When compared with UNDP-funded programmes as a whole, disbursements on these projects remain a small proportion of overall UNDP expenditures. Yearly expenditures on management services projects continue to represent an amount equivalent to approximately 8 per cent of core-funded programme expenditures by UNDP, largely unchanged from 7 per cent in 1988 and 9 per cent in 1989 and 1990.

7. A brief analysis of the three funding categories of management services operations, IFAD, development banks and bilateral donors, follows.

A. Projects funded by IFAD

8. As of 31 December 1991, the number of IFAD loans which OPS had accepted to provide project supervision and loan administration services stood at 77 agricultural investment projects, of which 60 were fully operational and 17 were at the pre-implementation stage (project appraisal, loan negotiations and/or awaiting loan effectiveness). This is an increase of 51 per cent over the number of projects in 1989, making OPS the second largest cooperating institution of IFAD, after the World Bank. The total of these loans amounts to Special Drawing Rights (SDR) of $648 million. This excludes the government share in the financing of the projects and other bilateral loans and grants that are not administered by OPS. Loan disbursements authorized by OPS in 1990 and 1991 amount to approximately $88 million of which $51.5 million was in 1991.

9. Activities financed by IFAD focus on poverty alleviation and are concentrated in the least developed countries. These include projects in agricultural credit, livestock, and small-scale irrigation with activities specifically designed to benefit small-holder farmers. A significant

investment in time is made during project formulation to identify the target group and to include participatory mechanisms in the design and implementation of the projects.

10. OPS standing policy is to involve itself at an early stage of the project cycle. Its active participation in project appraisal and loan negotiations between IFAD and its borrowers has contributed to a clearer articulation of such critical implementation issues as organization and management, procurement arrangements, and the flow of funds. Additionally, OPS strives to coordinate its IFAD-funded activities with the activities of UNDP. Currently, OPS-supervised IFAD-financed projects in seven countries are directly complemented by projects funded through IPF or through other United Nations sources. With its direct link to IFAD as a cooperating agency, OPS is actively encouraging greater programming and implementation coordination between IFAD and UNDP field offices and headquarters.

11. OPS has significantly strengthened its division servicing IFAD through the opening of outpost offices in Bangkok and Nairobi. Preliminary assessment indicates that outposting has increased the quality of supervision while reducing average costs. Through regular field missions, OPS ensures that IFAD-financed projects, which are implemented by national entities, focus on their development objectives, identify implementation problems promptly and assist national implementing agencies to modify and reorient project activities as necessary. An independent consultant's report on IFAD's loan supervision mechanisms undertaken in 1991 highlighted the strength of OPS' project management.

12. OPS' recent practice of organizing "project start-up workshops" - which bring together project agency and participating central/regional government staff, OPS, IFAD, and bilateral co-financiers - has proven to be an effective instrument to accelerate project implementation. Such workshops focus on: (a) clarifying project objectives, implementation strategy and management and inter-agency coordination arrangements; (b) the implementation schedule, including a detailed review of the first year's work programme; (c) financing requirements including local budgetary resources; (d) monitoring and evaluation arrangements, including progress reporting; and (e) procurement and disbursement procedures. The workshop is also used to develop a "supervision plan" to be followed by OPS during the 6- to 7-year project implementation period.

13. Most management services projects in this category are evaluated by independent experts mid-way in the implementation period to review the adequacy of the project design and the implementation record as well as to recommend required changes. Following project completion and loan closing, the national implementing agencies are required to prepare a Project Completion Report (PCR), which reviews the lessons learned during project implementation, and assesses the degree of success in meeting project objectives. OPS assists these national implementing agencies to undertake this task by providing them with appropriate guidelines for the preparation of the PCR and by reviewing their draft reports.

14. A recent PCR for the project China Northern Pasture and Livestock Development (CPR/81/FO1), the first IFAD project supervised by OPS to be completed, illustrates how issues of impact and sustainability are addressed as a regular feature of OPS' loan supervision. Statistics available at project completion showed improvements in animal husbandry and pasture management and demonstrated that household income and consumption levels increased faster in the project area than in nearby areas. The PCR concludes that the project is currently sustainable and has strong potential for replication and extension. In addition, the performance of OPS was evaluated, concluding that the Office's "flexible and practical approach to unfolding events significantly enhanced project investments". Ex-post project evaluations are launched by IFAD for selected projects several years after their completion.

B. Projects funded by the World Bank, IDA and IDB

15. As shown in annex II to the present report, the number of ongoing projects in this category grew from 32 in 1989 to 35 by the end of 1991. Eighteen new projects became operational in 1990 and 1991 while 15 projects were operationally completed.

16. Expenditures on these projects since 1989 have remained constant, declining slightly in 1989 and rising to approximately $18 million in 1991, a drop from 7 per cent of OPS' total expenditures in 1989 to 5 per cent in 1990 and 1991. Nonetheless, with new projects accepted in 1991 alone worth over $70 million, expenditures on these projects as a proportion of overall OPS expenditures is expected to rise in the coming years.

17. For the bulk of ongoing and new projects funded by development banks, the major feature of UNDP's association is support to components of World Bank structural adjustment lending packages. One new management services project in Argentina, for example, assists in evaluating soon-to-be privatized public enterprises while a second such project supports the reorganization of several ministries in the economic sphere. In Uganda, new management services projects are assisting in determining the social dimensions of structural adjustment as well as in strengthening the management of the public sector in a variety of areas. New projects in Bolivia build on past management services agreements and feature similar objectives.

18. Other projects accepted since 1989 - in Turkey, Yemen and Papua New Guinea - also followed previous management services agreements in those countries. In Turkey, UNDP will provide services valued at $4 million for the management information systems component of a $75 million World Bank loan to the Ministry of Health. In Yemen and Papua New Guinea, UNDP provides mainly procurement and recruitment services for the Ministry of Planning and for the Department of Lands and Physical Planning respectively, quickening the pace of expenditures on existing World Bank loans and IDA credits. Simultaneously, the transfer of skills is pursued, thus promoting national capacity-building. As with some IFAD-funded projects, a number of these management services

projects are components of larger programmes that include UNDP-funded projects, demonstrating again the complementarity between those components and UNDP mainstream activities. (See paragraph 31 below.)

19. Under these management services agreements, borrowers from international lending institutions continue to benefit from the involvement of UNDP by ensuring that available funds are spent expeditiously and economically through established international procedures. As cited in the Administrator's previous report on management services (DP/1990/67), UNDP contributes to increasing the borrower's "capacity to absorb, thus mobilize, investment resources".

C. Projects funded by bilateral donors

20. The number of active projects in this category (listed in annex III) rose from 39 in 1989 to 59 by end 1991. Twenty-one projects were operationally completed in the past two years (19 in 1991) while 41 new projects were accepted, of which 21 are financed by Japan (10 of these new projects were listed as "pipeline" in the previous biennial report, DP/1990/67, annex III). Expenditures on these projects continued to rise at a rate level with the overall growth of OPS. (See table 1.) When the Japanese-funded procurement of commodities programme is excluded, however, expenditures on projects financed by bilateral donors have declined steadily from 28 per cent of overall expenditures in 1987 to 6 per cent in 1991. Major Italian-funded projects that grew from emergency drought conditions in the Sudan, Chad and Ethiopia were operationally completed in 1990 and 1991 and account for the bulk of this decline.

21. Apart from the expansion of the Japanese procurement programme, no significant new trends in the nature of projects funded by bilateral donors can be identified. Implementation of a $10 million project funded by the United States of America began in 1990 to provide vocational training and job placement for ethnic Bulgarian Turks. Sweden continues to fund technical assistance for some United Nations Sudano-Sahelian Office (UNSO) agro-forestry projects, again demonstrating the complementarity between activities implemented through the management services modality and through other more traditional UNDP funding sources. These projects and a new programme for environmental education for Guatemalan school children, funded by the Netherlands, are also indicative of the continuing emphasis on smaller, rural development projects funded by bilateral donors which now benefit from management services.

22. The Japanese procurement of commodities programme, a non-project, grant aid activity worth $279 million overall (from 1988 to present), provides balance-of-payment support and debt relief by financing the procurement of equipment and commodities on the basis of international competitive bidding. UNDP/OPS serves as procurement agent, providing full procurement services in almost all cases, from preparing specifications to shipping and delivery.

23. From the original nine countries with grants totalling $115 million, the programme has now grown to 18 countries and expanded from sub-Saharan Africa to countries in Latin America and Asia. The nine countries added to the programme were Benin, Bolivia, Burkina Faso, Cameroon, the Central African Republic, Honduras, Mali, Mongolia and Nicaragua. Eight countries received second grants and one has received a third grant. Ten projects were financially completed, leaving 19 currently ongoing, worth a total of $107 million. Expenditures on the programme represented close to 50 per cent of OPS expenditures on management services projects in 1990 and close to 65 per cent in 1991 (excluding IFAD loan drawdowns).

24. The Japanese procurement programme demonstrates the role of bilaterally funded management services projects in contributing to the development process. While the grants cannot be measured directly in terms of sustainability as traditional technical assistance projects are, they do help countries sustain structural adjustment reforms, freeing scarce resources for development priorities. Furthermore, the involvement of UNDP, in conducting internationally recognized procurement procedures and open competitive bidding, helps ensure that recipient Governments obtain maximum results from their grants. For the Japanese, UNDP's field office presence and its long experience in the recipient countries were important considerations in the decision to utilize the management services agreement modality. In turn, activities supported by UNDP country programmes are complemented by the Japanese programme. For eight countries in the Sahelian region of Africa, for example, the procurement programme's support to the structural adjustment process complements IPF-funded activities in support of the social dimensions of structural adjustment.

25. A significant characteristic of bilaterally funded projects is that close to three quarters of available resources for these projects is used to procure goods and services on open international markets. The large commodity procurement programme, funded by Japan and open to non-Japanese suppliers, accounts for the magnitude of this figure. Japan is also joined by the Netherlands, the United States of America and Italy in funding projects which conform to multilateral standards for purchasing goods and services, marking a contribution towards the process of channeling greater bilateral resources through the multilateral development system. This "multilateralization" of bilateral aid benefits recipient countries, both in terms of maximizing the value of goods and services procured through the process of international competitive bidding and because of the neutral character of the assistance.

26. Other new projects in this category also indicate the added-value that UNDP participation brings to both recipient and donor countries. Two new management services agreements, the Danish and Norwegian Consultancy Services, allow the lowest-income countries to take advantage of special expertise made available - over and above their core contributions - from these two under-utilized major donors. These agreements mainly fund feasibility studies identified by recipient Governments in conjunction with UNDP and the bilateral donor. A separate fund from Denmark has been made available to fund resulting projects.

27. In this way, again, the UNDP resident representative's role in aid coordination is further enhanced. The bilateral aid funds are spent with full regard to the overall development programme of the recipient Government. And, as with development bank funds, the recipient Governments' increased ability to absorb bilateral development assistance is frequently a prerequisite for mobilizing additional external resources.

D. Projects funded by the recipient country

28. Three projects in this category - where a recipient country requests UNDP to render management services in support of activities funded by its national budget - were completed during the past two years. The three projects, all in Bolivia, allowed the Government to procure equipment with national funds through a procurement programme financed under UNDP cost sharing. The management services projects resulted in a net savings for the Government with competitive international prices negotiated through the procurement programme.

29. In Djibouti, government funds, together with a related IPF-funded project, are being used to help develop 120 hectares of family gardening plots. A management services project in the Dominican Republic supports the activities of an IFAD loan for agricultural credit by procuring vehicles and equipment for the Government. Both these projects demonstrate how recipient countries can use management services to ensure full coordination between national development priorities and multilateral efforts. Negotiations for similar projects have proven to be complex and lengthy, though recent agreements in Djibouti, the Dominican Republic and Mexico, as well as continuing discussions in Ecuador, have generated the expectation that this modality will be used more widely by developing countries.

II. MANAGEMENT SERVICES AND THE UNDP DEVELOPMENT APPROACH

30. The Administrator has implemented the management services modality within UNDP overall programming. Management services agreements, including those funded by bilateral donors, continue to strengthen the UNDP multilateral approach to the development process and help guarantee that a greater proportion of external assistance is tuned to the development priorities of recipient countries. The impact and sustainability of all its operations - including management services and core-funded projects - is of fundamental importance to UNDP/OPS. As part of its recent restructuring, described in the Administrator's report on senior management (see DP/1992/45 and Add.1), OPS is strengthening its quality control mechanisms, including commiting greater resources to evaluating programmes and to disseminating the lessons from these evaluations.

A. Addressing development needs in a multilateral context

31. Management services projects address human development concerns through activities in rural development and poverty eradication, economic and social restructuring and through the development of human resources. In every case, the relevant UNDP Regional Bureau, in consultation with respective resident representatives, endorses the activities and confirms that they are consistent with the country's stated development plans and goals. This is equally true for multilaterally funded and bilaterally funded projects. Frequently, this consultation generates UNDP core-funded projects that are directly linked to a management services project, either at the preparatory assistance phase or as a component of a larger programme. This complementarity is demonstrated in Uganda, for example, where a single IPF-funded project supports two World Bank-funded management services agreements, as well as in Central America where an Italian-funded management services project complements a large Special Programme Resources (SPR) project for refugees in the region. Similarly, IPF preparatory assistance projects in Bolivia and Ecuador are expected to lead to larger management services programmes in the near future.

32. The multilateral consultative process ensures that one of the central objectives of UNDP - sustainable development - is addressed whenever the possibility of a management services agreement is discussed. The participation of the resident representative, the relevant Regional Bureau and OPS ensures that UNDP areas of concern that impact on sustainable development - the environment, capacity-building and human resources, for example - are being satisfactorily addressed. The frequent link between management services projects and UNDP core-funded projects attests to the shared objectives and approaches of management services and other UNDP-supported projects.

33. As detailed in paragraph 21 above, a large proportion of bilateral funds do not restrict the procurement of goods and services to the donor country, bringing them, in effect, much closer to multilateral-style assistance. Bilaterally funded management services projects reinforce UNDP's multilateral principles by enlarging the pool of resources delivered in support of multilateral programmes. The Japanese procurement of commodities programme, which helps buttress structural adjustment reforms supported by the World Bank and its associated organizations, exemplifies the effectiveness of wedding bilateral aid with multilateral objectives. It also helps demonstrate the usefulness of the management services modality to achieve this union.

B. Effect on core funding

34. The Administrator sees no evidence to suggest that the use of the management services modality by bilateral donors has adversely affected voluntary contributions to UNDP. Table 5 demonstrates the fluctuation in bilateral donor funding of management services projects relative to the overall steady growth of donor pledges to UNDP. These fluctuations suggest

that there is no direct relation in a particular year between bilaterally funded management services projects and voluntary contributions to UNDP.

35. It should be noted that bilateral funds for management services projects over the past several years represented a small proportion of individual donor pledges to UNDP. Only Japan's funding of management services projects as a proportion of pledges to UNDP has increased significantly since 1989. This is due to the procurement of commodities programme and does not appear to have affected that country's contributions to UNDP. Japanese pledges to UNDP have increased on average by 4 per cent since 1988, including in 1991 when its funding of management services projects reached its highest level to date.

C. Support cost recovery

36. The total cost to UNDP of providing management services continues to be borne by the funding sources. Management fees are calculated on a case-by-case basis with projects funded by bilateral donors contributing, as in past years, the largest percentage of collected fees (table 2). UNDP field offices and UNDP Central Services are in turn reimbursed for costs they incur (table 3). In addition, table 4 demonstrates the proportion of OPS support costs recovered from each of its three main sources of funding: i.e., UNDP core funds, other multilateral sources, and management services.

D. Impact and sustainability of programmes and projects funded by bilateral donors

37. The previous report on management services (DP/1990/67) addressed the issues of the impact and sustainability of programmes funded by bilateral donors, concluding that UNDP involvement sharpened the focus on these issues in bilaterally funded activities. In this context, the Governing Council urged the Administrator to provide in the present report an overview of evaluations on management services programmes and projects funded by bilateral donors (decision 90/46 of June 1990). Such evaluations, as summarized below, are available in full.

38. Of the projects which fall into this category and which were operationally completed prior to submission of this report, two full evaluations are discussed below. In addition, two Italian-funded management services projects in Ethiopia and one in Sudan benefited from OPS project completion reviews in late 1991, the results of which are also discussed below. Eight more projects, seven funded by Sweden and one funded by Italy, are scheduled for full evaluations in early 1992. As regards the Japanese procurement of commodities programme, whose activities are ongoing, the Japanese have expressed interest in studying the effectiveness of the programme and are reviewing evaluation proposals from UNDP/OPS as well as exploring financing possibilities to fund such an evaluation. It should be noted that under the structure of bilaterally funded management services

projects, the donor country as well as the recipient Government and UNDP must agree on an evaluation.

39. Emergency Programme (GUA/88/R51). Financed by the Netherlands and evaluated in 1991, this project in Guatemala aimed at improving the living conditions of the poorest segments of the population through the implementation of small-scale projects in agriculture, small animal husbandry and the marketing of local products. The programme began as an emergency operation, with a strong emphasis on the promotion of income-generating activities for small-holder farmers and women. Revolving funds were established and the participation of local non-governmental organizations (NGOs) was sought. Subprojects included the construction of small markets providing direct access to small-scale producers, the creation of shops managed by housewives, and the distribution of improved stoves.

40. According to the evaluation report, these activities were successful. Despite their emergency character, the impact on low-income groups has already been significant: increased employment in the project areas, increased food security, increased consumption of animal proteins, and reduced infant mortality. Statistical data on the number of beneficiaries, the demographics of regions covered, the increases in production and employment, and the reduction in post-harvest losses are available in the evaluation report. In addition, the utilization of local NGOs has fostered the active participation of the beneficiaries - particularly women - and resulted in the establishment of a functioning small-scale producers' association.

41. The evaluation concludes that time-consuming NGO identification and recruitment procedures at UNDP during the first phase of the project might have been more expeditiously managed directly by the bilateral donor rather than through a management services agreement. However, it should be noted that the UNDP competitive bidding process was used to identify the NGOs currently participating in the project and that the evaluation recommends these NGOs be retained for future phases.

42. Rehabilitation and Development of the Lake Chad/Kanem Region (CHD/85/R51), evaluated in 1991, was part of a large programme financed by Italy in Ethiopia, the Sudan and Chad which were affected by drought, hunger and malnutrition. The objectives of the programme were to assist the poorest of the poor, to reduce the high mortality rate and to rehabilitate the most vulnerable areas. The Chad project was conceived around three main components: (a) construction of 570 kilometres of roads to open up the region and to reach the border of Niger; (b) the increase of agricultural production through community development activities; and (c) the provision of potable water on a regular basis.

43. The evaluation concluded that the road has been the project's major success, opening an isolated region with a population of approximately 400,000 inhabitants. Because the region is rich in agricultural products and minerals, the new road is considered to be the key to its development. A second positive result is the increased supply of water from newly-drilled

hand pump wells. The quality of the water has greatly improved and the maintenance system that was established is functioning well, with operating costs being met and local maintenance teams set up. Based on interviews with the population, the evaluation concluded that women have been the major beneficiaries of the project.

44. At this stage, the project's impact on rural development activities is less visible; probably a consequence of the project being first and foremost an emergency operation. Priority was given to achieving immediate results, for example the construction of socio-economic infrastructure. Thus, activities linked to the development of human resources received less attention. The evaluation strongly recommends that further support be given to human resource development in the project area. It also advises giving further attention to the maintenance of the infrastructures (road and wells). Finally the evaluation recommends that greater efforts be made to promote the more active participation of the rural population in the project activities.

45. Like the project in Chad described above, Rehabilitation and Development Darfur (SUD/85/R51) in Sudan, Ethiopia-Italy Programme of Rehabilitation and Development (ETH/85/R51), and its follow-up Maintenance (ETH/87/R51) (all funded by Italy) began as emergency projects responding to desperate conditions caused by recurring droughts. The aim of the projects in these two countries was first to stabilize the food security situation and then to build the necessary infrastructure and institutional capacity to avoid future crises. Despite the difficult conditions in both countries, the OPS PCRs report progress in completing infrastructure components and some progress towards achieving sustainable improvements in agricultural production and in social services. In both cases, these gains must be consolidated by a greater commitment to maintenance of completed structures and by new interventions of technical assistance. A more complete evaluation of the Sudan project with specific recommendations for a second phase is scheduled for early 1992.

III. RECOMMENDATION

46. In light of the positive experience with management services projects over the past eight years, the Administrator considers that the principles and guidelines enumerated in Governing Council decision 83/5 and reaffirmed in decision 90/46 remain appropriate. The conclusions reached in the present report regarding benefits to recipient Governments and to UNDP confirm those reached in the previous biennial reports (DP/1988/59, DP/1990/67) and demonstrate the validity of the modality. The Administrator, therefore, recommends that the Governing Council approve UNDP's continuing to provide management services according to the Council guidelines.

Table 1. Project expenditures under management services projects

Category	1987			1988			1989			1990			1991 a/		
	No. of active projects	New MSAs	$	No. of active projects	New MSAs	$	No. of active projects	New MSAs	$	No. of active projects	New MSAs	$	No. of active projects	New MSAs	$
Development banks	21	6	6 732 846	23	2	12 588 548	32	11	15 616 479	33	5	14 898 365	35	13	18 000 000
Bilateral donors															
Japan	0	0	0	3	3	4 550 775	8	5	24 574 118	17	9	52 656 296	19	12	72 000 000
Other	12	1	44 087 255	24	12	47 320 427	28	5	48 134 792	38	12	40 098 284	36	4	20 500 000
Recipient Government	0	0	0	0	0	0	3	3	4 927 788	3	0	0	4	4	0
Subtotal	33	7	50 820 101	50	17	64 459 750	71	24	93 253 177	91	26	107 652 945	94	33	110 500 000
IFAD	29	10	36 573 664	41	12	25 486 811	57	16	27 144 373	65	8	36 455 558	78	14	51 445 000
TOTAL	62	17	87 393 765	91	29	89 946 561	128	40	120 397 550	156	34	144 108 503	172	47	161 945 000

a/ Estimates for year-end 1991. Final figures available in mid-March 1992.

Table 2. Management services support cost recoveries

(United States dollars)

Category	1987 Amount	1987 % of total recoveries	1988 Amount	1988 % of total recoveries	1989 Amount	1989 % of total recoveries	1990 Amount	1990 % of total recoveries	1991 a/ Amount	1991 a/ % of total recoveries
Development banks	496 547	14	945 274	19	1 703 545	22	1 102 671	15	1 427 455	18
IFAD	655 405	18	838 505	17	1 272 040	16	1 890 540	25	2 167 750	27
Bilateral donors	2 483 217	68	3 100 321	64	4 843 360	62	4 593 514	60	4 307 114	55
Total	3 635 169	100	4 884 100	100	7 818 945	100	7 586 725	100	7 902 319	100

a/ Estimates for year-end 1991. Final figures available in mid-March 1992.

Table 3. Distribution of support cost recoveries

(United States dollars)

Category	1987 Amount	1987 % of total recoveries	1988 Amount	1988 % of total recoveries	1989 Amount	1989 % of total recoveries	1990 Amount	1990 % of total recoveries	1991 a/ Amount	1991 a/ % of total recoveries
OPS	2 501 922	69	3 512 652	72	5 589 937	71	5 824 881	77	6 158 020	78
Central services	564 260	15	658 555	13	967 365	12	1 045 191	14	798 053	10
Field office	568 987	16	712 893	15	1 261 643	16	716 653	9	946 246	12
Total	3 635 169	100	4 884 100	100	7 818 945	100	7 586 725	100	7 902 319	100

a/ Estimates for year-end 1991. Final figures available in mid-March 1992.

Table 4. Support cost recoveries in relation to project expenditures

(1987-1991)

(Thousands of United States dollars)

Year	Category: UNDP core funds	Other multilateral sources a/	Management services b/	Total
1987				
No. of projects	675	426	63	1 164
Expenditure	63 199	40 140	50 820	154 159
Percentage	41%	26%	33%	100%
Support costs	6 682	2 741	3 635	13 058
Percentage	51%	21%	28%	100%
1988				
No. of projects	858	334	85	1 277
Expenditure	79 559	53 986	64 460	198 005
Percentage	40%	27%	33%	100%
Support costs	8 674	3 473	4 884	17 031
Percentage	51%	20%	29%	100%
1989				
No. of projects	1 101	378	122	1 601
Expenditure	85 464	49 767	93 253	228 484
Percentage	37%	22%	41%	100%
Support costs	9 350	3 292	7 819	20 461
Percentage	46%	16%	38%	100%
1990				
No. of projects	1 057	360	156	1 573
Expenditure	119 204	58 917	107 653	285 774
Percentage	42%	21%	38%	100%
Support costs	13 197	4 162	7 587	24 946
Percentage	53%	17%	30%	100%

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Table 4 (continued)

Year	Category: UNDP core funds	Other multilateral sources a/	Management services b/	Total
1991 c/				
No. of projects	1 066	464	172	1 702
Expenditure	166 000	74 000	110 500	350 500
Percentage	47%	21%	32%	100%
Support costs	18 260	6 660	7 902	32 822
Percentage	56%	20%	24%	100%

a/ UNDP administered funds, Special Trust Funds, UNFPA and UNFDAC.

b/ Excluding disbursements against IFAD loans which were $39,761,653 (1986), $36,573,644 (1987), $25,486,811 (1988), $27,144,373 (1989), $36,455,558 (1990) and estimated $51,445,000 (1991).

c/ Estimated figures. Final figures available in mid-March 1992.

Table 5. Donor's pledges to UNDP core and MSA programmes funding

(Thousands of United States dollars)

Donor	1987	1988	1989	1990	1991 b/
Australia					
UNDP	10.71	13.26	12.85	13.60	13.08
MSA a/	0.72	0.86	1.40	1.54	1.28
MSA/UNDP %	6.72%	6.49%	10.89%	11.32%	9.79%
Belgium					
UNDP	16.44	16.09	17.14	19.23	16.67
MSA a/	0.00	0.00	0.00	0.00	0.00
MSA/UNDP %	0.00%	0.00%	0.00%	0.00%	0.00%
Denmark					
UNDP	69.55	77.07	72.41	87.76	79.20
MSA a/	0.00	0.00	0.00	1.00	2.94
MSA/UNDP %	0.00%	0.00%	0.00%	1.14%	3.71%
Finland					
UNDP	26.29	33.95	35.57	49.89	59.53
MSA a/	0.00	0.00	0.00	3.11	0.91
MSA/UNDP %	0.00%	0.00%	0.00%	6.23%	1.53%
France					
UNDP	42.18	44.35	43.85	50.89	49.91
MSA a/	0.00	0.44	0.00	0.00	0.00
MSA/UNDP %	0.00%	0.99%	0.00%	0.00%	0.00%
Italy					
UNDP	55.21	56.41	78.01	73.60	67.42
MSA a/	4.15	46.20	10.26	33.00	5.39
MSA/UNDP %	7.52%	81.90%	13.15%	44.84%	7.99%
Japan					
UNDP	70.05	79.00	83.30	86.63	89.61
MSA a/	0.50	5.00	30.60	58.04	74.87
MSA/UNDP %	0.71%	6.33%	36.73%	67.00%	83.55%

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Table 5 (continued)

Donor	1987	1988	1989	1990	1991 b/
Netherlands					
UNDP	75.87	81.84	72.06	83.49	85.17
MSA a/	0.00	1.17	0.28	1.29	0.12
MSA/UNDP %	0.00%	1.43%	0.39%	1.55%	0.14%
Norway					
UNDP	65.69	76.34	76.05	81.37	83.57
MSA a/	0.00	0.00	0.00	0.00	0.31
MSA/UNDP %	0.00%	0.00%	0.00%	0.00%	0.37%
Sweden					
UNDP	76.38	82.70	87.94	97.50	95.25
MSA a/	0.00	0.00	0.46	0.13	0.96
MSA/UNDP %	0.00%	0.00%	0.52%	0.13%	1.01%
USA					
UNDP	106.37	109.11	109.98	107.02	109.00
MSA a/	0.00	0.00	0.00	9.96	0.00
MSA/UNDP %	0.00%	0.00%	0.00%	9.31%	0.00%

a/ The amounts indicated for each year represent total monies received for commitments to specific programmes.

b/ As at December 1991.

Annex I

PROJECTS FINANCED BY THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

No.	Project no.	IFAD	Loan no.	Country	Project name	Total loan	Signature	Loan disbursements (United States dollars)	OPS budget (United States dollars)
1	ALG/91/F01	IFAD	276-AL	Algeria	Peche Artisanale	11 575 000	27/03/91	0	51 350
2	ANG/89/F01	IFAD	SRS-020-AN	Angola	Malange	8 074 000	02/01/90	0	474 595
3	BEN/91/F01	IFAD	SRS-020-AN	Benin	Benin Atacora	8 931 000	N/A	0	12 000
4	BGD/86/F01	IFAD	194-BA	Bangladesh	Marginal and small farmers	12 789 000	28/08/87	133 956	422 399
5	BGD/88/F01	IFAD	237-BA	Bangladesh	Oxbow Lakes - Fisheries	8 002 000	27/04/89	130 816	469 006
6	BGD/88/F02	IFAD	239-BA	Bangladesh	Grameen Bank III	8 860 000	11/09/89	0	433 834
7	BGD/90/F01	IFAD	280-BA	Bangladesh	Livestock development	10 932 000	N/A	0	485 838
8	BGD/91/F01	IFAD	287-BA	Bangladesh	Alternative survival Str.	16 505 000	08/11/91	0	22 675
9	BHU/81/F01	IFAD	050-BH/61-BH	Bhutan	Small farm development and Irrig.	8 467 000	18/05/81	0	463 397
10	BHU/87/F01	IFAD	223-BH	Bhutan	Punuka Wangdi	3 108 000	01/06/89	269 647	382 808
11	BHU/91/F01	IFAD	N/A	Bhutan	Eastern Bhutan	4 801 000	N/A	0	8 570
12	BRA/90/F01	IFAD	258/259-BR	Brazil	Cerrado Smallholder Dev. Project	24 007 000	N/A	0	476 376
13	BZE/85/F01	IFAD	172-BL	Belize	Toledo small farmer development	3 001 000	05/09/85	323 596	327 139
14	CAF/89/F01	IFAD	245-CA	Central African Republic	Bouca rural development	10 932 000	27/02/90	1 204 633	538 983
15	CO1/91/F01	IFAD	N/A	Comoros Islands	Soil conservation and rural development	4 216 000	N/A	0	22 675
16	CPR/88/F01	IFAD	233-CH	China	Sichuan	19 148 000	16/05/89	0	515 750
17	CPR/89/F01	IFAD	254-CH	China	Shandong agriculture development	24 007 000	N/A	8 400 041	458 163

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No.	Project no.	IFAD	Loan no.	Country	Project name	Total loan	Signature	Loan disbursements (United States dollars)	OPS budget
18	CPR/90/F01	IFAD	281-CH	China	Shanxi agricultural development	25 507 000	10/06/91	1 900 000	475 656
19	CPR/91/F01	IFAD	N/A	China	Jilin Low	25 507 000	N/A	0	4 335
20	CUB/81/F01	IFAD	052-CU	Cuba	Camalote rural development	15 790 000	02/03/81	0	554 402
21	DJI/91/F01	IFAD	N/A	Djibouti	Rural development & environment	1 500 000	N/A	0	22 675
22	DOM/87/F01	IFAD	216-DO	Dominican Republic	Southwestern region credit	8 717 000	21/06/89	535 345	372 626
23	EGY/90/F01	IFAD	N/A	Egypt	Credit development	26 151 000	N/A	0	73 691
24	EQG/85/F01	IFAD	167/135-EQ	Equatorial Guinea	Agricultural development	3 501 000	17/04/85	558 377	370 094
25	ETH/85/F01	IFAD/BSF[a]/	168-ET/BG-2-ET	Ethiopia	Drought rehabilitation	28 345 000	21/06/85	2 213 342	566 962
26	GAB/89/F01	IFAD	246-GN	Gabon	Smallholder support	10 074 000	16/04/90	0	502 458
27	GAM/89/F01	IFAD	SRS-021/018-GA	Gambia	Small-scale water	4 430 000	09/02/90	314 301	503 234
28	GHA/86/F01	IFAD	198GH/SRS002GH	Ghana	Smallholders rehabilitation	14 909 000	07/07/87	1 036 076	445 065
29	GHA/89/F01	IFAD	247GH/SRS019GH	Ghana	Smallholders credit	18 768 000	14/02/91	1 210 510	513 290
30	GHA/90/F01	IFAD	26-GH/SOF-22GH	Ghana	Upper east region	13 267 000	05/12/90	779 900	494 749
31	GUA/89/F01	IFAD	251-GM	Guatemala	Zacapa-Chiquimula smallholders	14 074 000	05/12/90	998 821	491 939
32	GUA/91/F01	IFAD	N/A	Guatemala	Cuchumatanes	7 859 000	N/A	0	20 675
33	GUI/88/F01	IFAD	012-GU/SOF-12G	Guinea	Agricultural development - Fouta Djallon	16 490 000	21/11/88	4 397 531	501 357
34	HAI/81/F01	IFAD	088-HA/88-HA	Haiti	Intensification food crops	18 891 000	13/08/82	1 034 731	775 062
35	HAI/88/F01	IFAD	241-HA	Haiti	Rehabilitation small/ medium irrig.	11 718 000	28/06/89	0	528 834

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No.	Project no.	IFAD	Loan no.	Country	Project name	Total loan	Signature	Loan disbursements (United States dollars)	OPS budget
36	IND/87/F01	IFAD	214-IN	India	Orissa tribal development	13 218 000	04/02/88	443 247	529 869
37	IND/89/F01	IFAD	240-IN	India	Tamil Nadu women centre	18 791 000	13/06/89	412 196	571 247
38	IND/90/F01	IFAD	282-IN	India	Andhra Pradesh tribal dev.	26 777 000	N/A	1 200 000	472 656
39	INS/87/F01	IFAD	215-ID	Indonesia	Income generating	15 147 000	20/01/88	911 158	455 380
40	INS/91/F01	IFAD	N/A	Indonesia	Tree crops	18 005 000	N/A	0	22 675
41	KEN/88/F01	IFAD	BG-001-KE	Kenya	Farmers group comm. support	3 121 000	01/09/88	0	237 120
42	KEN/90/F01	IFAD	27-KE/SOF-23KE	Kenya	Coast Asal	16 039 000	14/02/91	0	485 516
43	KEN/90/F02	IFAD	BG-006-KE	Kenya	Nyeri dry area	3 333 000	14/02/91	351 976	55 350
44	KEN/90/F03	IFAD	271-KE/BG-007	Kenya	Farmers Group II	12 714 000	14/02/91	0	536 802
45	LAO/87/F01	IFAD	207-LA	Laos	Rural credit	5 001 000	25/11/87	38 441	413 838
46	LAO/89/F01	IFAD	256-LA	Laos	Xien Khouang	5 859 000	13/08/90	450 000	500 176
47	LES/86/F01	IFAD	199-LE	Lesotho	Local initiative support	5 787 000	18/03/87	487 572	560 202
48	LES/88/F01	IFAD	013-LE	Lesotho	Soil water conservation	8 834 000	26/04/89	668 286	538 448
49	MAG/88/F01	IFAD	231-MG	Madagascar	Highlands agriculture development	14 147 000	26/06/89	3 160 373	421 628
50	MAG/91/F01	IFAD	N/A	Madagascar	Midwest development fund project	11 789 000	N/A	0	25 675
51	MDV/89/F01	IFAD	247-MS	Maldives	Atoll credit	3 358 000	14/02/90	0	458 238
52	MEX/90/F01	IFAD	270-ME	Mexico	Agricultural development	30 938 000	17/04/91	0	482 330
53	MLI/82/F01	IFAD	103-ML	Mali	Village development fund	11 503 000	01/03/83	570 011	434 827
54	MLI/90/F01	IFAD	278-ML	Mali	Second village	13 147 000	17/04/91	0	472 556
55	NEP/87/F01	IFAD	208-NE	Nepal	Rural women project	7 788 000	30/11/88	197 281	454 481
56	NEP/89/F01	IFAD	250-NE	Nepal	Hills leasehold forestry	14 290 000	14/02/90	0	509 072
57	NER/86/F01	IFAD	009/007NG/SOF8	Niger	Development small-scale irrigation	22 093 000	13/01/88	3 147 929	385 766

No.	Project no.	IFAD	Loan no.	Country	Project name	Total loan	Signature	Loan disbursements (United States dollars)	OPS budget (United States dollars)
58	NIR/88/F01	IFAD	236-NR	Nigeria	Artisanal fisheries	15 933 000	07/03/90	1 197 316	459 806
59	PAK/90/F01	IFAD	228-PA	Pakistan	Neelum Valley community	17 005 000	04/10/91	0	459 151
60	PNG/82/F01	IFAD	113-PN	Papua New Guinea	Artisanal fisheries	8 324 000	10/01/83	0	341 690
61	PRC/90/F01	IFAD	272-CG	Congo	Marketing project	8 717 000	27/03/91	0	492 510
62	SEY/90/F01	IFAD	261-SC/011-SC	Seychelles	Employment generation	1 277 000	24/10/90	104 000	424 629
63	SOI/87/F01	IFAD	224-SM	Solomon Islands	Credit	1 643 000	10/06/91	0	406 400
64	SOM/85/F02	IFAD	BG-4-SO	Somalia	Wanle Weyne integrated dev.	5 606 000	17/08/87	407 543	303 144
65	SOM/89/F01	IFAD/BSF[a]/	BG-3-SO	Somalia	Mahadday Weyne integrated dev. II	3 030 000	N/A	0	479 800
66	SOM/89/F02	IFAD/BSF[a]/	252-SO	Somalia	Bay region	12 718 000	18/05/90	0	65 969
67	SRL/87/F01	IFAD	219-SR	Sri Lanka	Small farmers & landless	6 931 000	28/03/89	289 805	500 539
68	SRL/90/F01	IFAD	283-SR	Sri Lanka	Badula rural development	14 147 000	13/08/91	0	472 431
69	STP/84/F01	IFAD	151-ST	Sao Tome and Principe	Artisanal fisheries	3 001 000	17/07/85	0	229 486
70	STP/90/F01	IFAD	274-ST	Sao Tome and Principe	Artisanal fisheries (Phase II)	1 715 000	N/A	0	493 326
71	SUD/88/F01	IFAD	16/13-SU	Sudan	El Nahud credit	12 753 000	03/01/89	993 061	585 032
72	SUD/90/F01	IFAD	268-SU/212-SU	Sudan	Roseiry	10 775 000	17/01/91	0	490 179
73	TON/87/F01	IFAD	220-TA	Tonga	Rural credit	2 429 000	11/10/88	547 056	294 304
74	TUR/88/F01	IFAD	243-TU	Turkey	Bingol & Mus rural development	22 149 000	14/11/89	21 900	561 000
75	TUR/90/F01	IFAD	277-TU	Turkey	Yozgat rural development	16 433 000	06/03/91	0	497 316
76	UGA/90/F01	IFAD	BG-005-UG	Uganda	Hoima district com. dev.	10 000 000	17/10/90	450 000	498 376
77	URT/89/F01	IFAD	024TZ/20TZ/S20	United Republic of Tanzania	Smallholders development	17 571 000	02/04/90	500 544	466 039
	Grand total for 77 projects:					926 689 000		41 991 318	30 382 071

[a] Belgium Survival Fund grant.

Annex II

PROJECTS UNDER MANAGEMENT SERVICE AGREEMENTS FUNDED BY THE WORLD BANK AND REGIONAL DEVELOPMENT BANKS

Project No.	Funding agency	Loan no.	Country	Project name	Total loan	Signature	Total budget	Budget	Management fee
							(United States dollars)		
ARG/89/R01	World Bank	2984-AR	Argentina	Administration of social programmes	N/A	03/03/89	3 517 106	3 346 436	170 670
ARG/89/R02	World Bank	3015-AR	Argentina	Procurement for tax admin.	N/A	04/09/89	3 068 100	2 922 000	146 100
ARG/91/R01	World Bank	3292-AR	Argentina	Public enterprise reform	N/A	30/05/91	18 800 000	17 766 318	1 033 682
ARG/91/R02	World Bank	3362-AR	Argentina	Public sector reform - Argentina	N/A	N/A	23 000 000	22 011 705	988 295
BOL/87/R01	IDA	1809 BO	Bolivia	Tax administration	11 500 000	27/11/87	1 454 162	1 266 550	187 612
BOL/87/R02	IDA	1809 BO	Bolivia	Public financial management	11 500 000	27/11/87	1 321 063	1 256 000	65 063
BOL/87/R03	IDA	1809 BO	Bolivia	SAFCO	11 500 000	27/11/87	6 988 175	6 760 000	228 175
BOL/87/R06	IDA	1925 BO	Bolivia	Strengthening banking sector	40 000 000	16/12/88	626 684	590 944	35 740
BOL/89/R01	IDA	1977 BO	Bolivia	Econ. mgmt. strengthening operation	9 700 000	10/05/89	2 579 646	2 420 910	158 736
BOL/89/R02	IDA	1977 BO	Bolivia	Econ. mgmt. strengthening operation	9 700 000	10/05/89	794 915	745 000	49 915
BOL/89/R03	IDA	1977 BO	Bolivia	Econ. mgmt. strengthening operation	9 700 000	10/05/89	989 109	927 000	62 109
BOL/89/R04	IDA	1977 BO	Bolivia	Econ. mgmt. strengthening operation	9 700 000	10/05/89	1 038 191	973 000	65 191
BOL/89/R05	IDA	1977 BO	Bolivia	Econ. mgmt. strengthening operation	9 700 000	10/05/89	2 010 228	1 884 000	126 228
BOL/89/R06	IDA	1977 BO	Bolivia	Econ. mgmt. strengthening operation	9 700 000	10/05/89	479 179	449 090	30 089
BOL/89/R07	IDA	1977 BO	Bolivia	Econ. mgmt. strengthening operation	9 700 000	10/05/89	536 852	500 000	36 852
BOL/90/R01	World Bank	PPS P642-BO	Bolivia	Structural adjustment credit	N/A	10/05/89	750 000	699 160	50 840
BOL/90/R41	IADB	846-SF-BO	Bolivia	Strengthening regional and local development	N/A	0/01/91	5 402 250	5 155 600	246 650
BOL/90/R42	IADB	ATN/SF-3586-BO	Bolivia	Strengthening regional corps. and municipalities	N/A	30/01/91	3 300 000	3 138 355	161 645
BOL/91/R01	IDA	2012-BO	Bolivia	Corredores de exportacion	N/A	19/08/91	130 692	117 740	12 952
BRA/86/R01	World Bank	2721 BR	Brazil	Public sector management	29 000 000	12/12/86	2 502 445	2 360 800	141 645
ECU/86/R01	IDA	2516 EC	Ecuador	Public sector management	6 000 000	03/07/86	2 506 374	2 353 485	152 889
ECU/89/R01	World Bank	2171 EC	Ecuador	Vocational training	566 068	N/A	566 068	525 450	40 618
ETH/85/R01	IDA	1522-0 ET	Ethiopia	Tech. asst. - information and budget system	7 900 000	17/01/86	2 484 513	2 300 476	184 037

Project No.	Funding agency	Loan no.	Country	Project name	Total loan	Signature	Total budget	Budget	Management fee
							(United States dollars)		
HON/87/P01	World Bank	2804 HO	Honduras	Primary rural education management	4 400 000	26/01/88	600 000	554 500	45 500
HON/89/P01	World Bank	2703 HO	Honduras	Superintendencia de bancos	N/A	11/05/89	440 000	414 500	25 500
PNG/88/P02	World Bank	2742 PNG	Papua New Guinea	Transitional training unit	N/A	07/10/88	1 502 663	1 353 750	148 913
PNG/90/P01	World Bank	3051 PNG	Papua New Guinea	Land mobilization programme	N/A	N/A	2 452 186	2 221 183	231 003
RLA/91/R41	IADB	ATN/SF-3822-RF	Regional Latin America	Parana Paraguay waterway	N/A	N/A	6 004 521	5 900 000	104 521
TUR/87/P01	World Bank	2585 TU	Turkey	Overseas training of DSI staff	100 000 000	10/08/87	1 050 079	975 079	75 000
TUR/87/P02	World Bank	2433 TU	Turkey	Overseas training - irrigation staff	115 300 000	10/08/87	384 498	361 498	23 000
TUR/88/P01	World Bank	2585 TU	Turkey	Oversease training of GDRS staff	100 000 000	N/A	1 016 547	941 547	75 000
TUR/91/P01	World Bank	3057 TU	Turkey	Support to Ministry of Health - 1st health project	N/A	N/A	4 239 000	3 929 000	310 000
UGA/89/P01	IDA	1434 UG	Uganda	Treasury accounts	10 000 000	04/08/89	520 414	477 007	43 407
UGA/89/P02	IDA	1962 UG	Uganda	Public sector enterprises	N/A	05/10/89	455 370	423 600	31 770
UGA/90/P01	IDA	1434 UG	Uganda	Bolma Dist. integrated community dev.	N/A	30/01/90	1 313 500	1 216 000	97 500
UGA/90/P02	IDA	1951 UG	Uganda	Project monitoring and evaluation unit	N/A	28/06/90	1 130 924	1 047 150	83 774
UGA/90/P03	IDA	1951 UG	Uganda	Economic advisory task force	N/A	17/09/90	196 200	180 000	16 200
UGA/91/P01	World Bank	1951 UG	Uganda	Statistical development project	N/A	08/02/91	749 900	688 000	61 900
UGA/91/P02	World Bank	2088 UG	Uganda	Social dimensions of adjustment	N/A	10/04/91	3 236 220	2 996 500	239 720
UGA/91/P03	IDA	1951 UG	Uganda	Design of temporary recruitment system	N/A	10/04/91	649 840	601 000	48 840
UGA/91/P04	IDA	1434 UG	Uganda	Multisectoral procurement project	N/A	15/07/91	1 654 984	1 561 306	93 678
YEM/87/P01	IDA	1702 YAR	Republic of Yemen	TA to the petroleum sector	10 600 000	21/06/87	2 438 627	2 251 429	187 198
YEM/91/P01	IDA	1556	Republic of Yemen	Tech. asst. to Ministry of Planning and Development	N/A	N/A	1 406 500	1 325 000	81 500
Grand total for 43 projects:					922 166 068		116 287 735	109 888 068	6 399 657

Note: In reference to the number of projects, please note that the projects BOL/87/P01, BOL/87/P02 and BOL/87/P01 are counted as one, and BOL/89/P01 through BOL/89/P07 are also counted as one, bringing the total number of active projects from 43 to 35. This is reflected in table 1.

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Annex III

PROJECTS UNDER MANAGEMENT SERVICES AGREEMENTS FUNDED UNDER BILATERAL GRANTS

Project No.	Funding agency	Country	Project name	Signature	Total budget	Budget	Management fee
					(United States dollars)		
BEN/91/R21	Japan	Benin	Procurement of commodities - 2nd grant	27/06/91	6 870 229	6 530 229	340 000
BKF/87/RS1	TF Sweden	Burkina Faso	MSA tech support UNSO PR	18/08/91	852 760	770 760	82 000
BKF/89/RS1	TF Sweden	Burkina Faso	Technical support to BKF/89	26/03/91	1 872 690	1 715 500	157 190
BKF/89/RS2	TF Sweden	Burkina Faso	Technical support to BKF/89	26/03/90	1 779 503	1 626 500	153 003
BKF/91/R21	Japan	Burkina Faso	Procurement of commodities	N/A	2 173 913	2 060 913	113 000
BOL/90/RS1	United States of America	Bolivia	Coord. for strengthening economic management	N/A	140 143	130 000	10 143
BOL/91/R21	Japan	Bolivia	Procurement of commodities	30/04/91	6 870 229	6 630 229	240 000
CAF/90/R21	Japan	Central African Republic	Procurement of commodities	06/04/90	2 267 208	2 155 208	112 000
CAF/91/R21	Japan	Central African Republic	Procurement of commodities	N/A	3 623 188	3 418 188	205 000
CAM/89/RS1	Italy	Central America	Info. on asst. to displaced persons	N/A	5 472 186	5 062 152	410 034
CMR/91/R21	Japan	Cameroon	Procurement of commodities	11/11/91	6 870 229	6 530 229	340 000
COI/88/RC5	Belgium	Comoros Islands	Electrification of rural zones	N/A	641 000	582 727	58 273
COL/87/RS1	Italy	Colombia	Training of cooperative officials	N/A	1 161 472	1 076 906	84 566
CUB/88/RS2	Italy	Cuba	Support to marble production	N/A	1 683 000	1 553 000	130 000
DJI/89/R31	Djibouti	Djibouti	Hydro-agricultural land development	18/04/91	2 400 000	2 250 000	150 000
DOM/91/R31	Dominican Republic	Dominican Republic	SW region credit supervision	N/A	138 635	132 100	6 535
EGY/87/RS1	Netherlands	Egypt	Food industry development centre	02/12/87	926 808	855 614	71 194
EGY/88/RS1	Italy	Egypt	Rehab. and dev. El Katta prison farm	22/02/89	3 838 545	3 561 892	276 653
ELS/86/RS1	Italy	El Salvador	Construction of low-cost housing	15/05/87	8 825 706	8 302 806	522 900
ETH/87/RS1	Italy	Ethiopia	EIPRD-equip maintenance	N/A	1 632 157	1 619 569	12 588
GLO/88/RS1	Italy	Global	UNDP/Italy cooperation - proj. iden.	15/11/86	596 481	551 481	45 000
GLO/88/RS3	Italy	Global	UNDP/Italy technical panel	N/A	616 000	560 000	56 000

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Project No.	Funding agency	Country	Project name	Signature	Total budget	Budget	Management fee
					(United States dollars)		
GUA/88/R52	Netherlands	Guatemala	Rural programme	N/A	767 532	730 333	37 199
GUA/90/R51	Netherlands	Guatemala	Educ. on the environment in Guatemala	30/11/90	187 408	176 800	10 608
GUI/90/R21	Japan	Guinea	Procurement of commodities	13/02/91	3 716 673	3 506 673	210 000
HON/91/R21	Japan	Honduras	Procurement of commodities	10/04/91	3 759 398	3 569 398	190 000
INT/86/R51	Italy	Interregional	Third world econ. info. network	15/11/86	4 221 809	4 021 242	200 567
INT/90/R11	Denmark	Interregional	Danish consultancy service	26/04/90	2 000 000	1 740 000	260 000
INT/90/R21	Japan	Interregional	AFRICA 2000	N/A	530 000	500 000	30 000
INT/91/R12	Norway	Interregional	Fund for Norwegian consultancy services	16/04/91	307 346	267 391	39 955
IRQ/91/R31	Iraq	Iraq	Monitoring of purchases of humanitarian goods	13/11/91	350 000	350 000	0
IVC/90/R21	Japan	Côte d'Ivoire	Procurement of commodities	26/07/90	125 000	0	125 000
IVC/91/R21	Japan	Côte d'Ivoire	Procurement of commodities	14/10/91	200 000	0	200 000
MAG/90/R21	Japan	Madagascar	Procurement of commodities	15/04/91	26 205 156	25 305 156	900 000
MAU/90/R21	Japan	Mauritania	Procurement of commodities - 2nd grant	04/02/91	3 650 404	3 440 404	210 000
MEX/91/R31	Mexico	Mexico	Institutional bldg. and TA to Banobras	N/A	500 000	458 000	42 000
MLI/89/R21	Japan	Mali	Procurement of commodities	31/03/90	3 825 768	3 635 768	190 000
MON/91/R11	Denmark	Mongolia	Danish emergency grant to Mongolia	N/A	1 846 153	1 756 153	90 000
MON/91/R21	Japan	Mongolia	Procurement of commodities	18/09/91	15 037 594	14 537 594	500 000
NER/90/R21	Japan	Niger	Procurement of commodities	24/04/90	10 880 452	10 335 452	545 000
NER/90/R51	Sweden	Niger	Technical assistance to NER/90/X01	N/A	1 384 240	1 258 400	125 840
NIC/91/R21	Japan	Nicaragua	Procurement of commodities	12/04/91	6 600 971	6 260 971	340 000
PAL/89/R51	Italy	Undetermined	Sewerage and drainage system for Beth.	N/A	4 060 000	3 857 000	203 000
PAL/89/R52	Italy	Undetermined	Development of health inst.	N/A	2 500 000	2 325 000	175 000
PAL/89/R53	Italy	Undetermined	Citrus processing plant	N/A	9 597 900	8 970 000	627 900
PNG/88/R51	Australia	Papua New Guinea	Technical assistance facility	05/12/88	203 125	184 625	18 500
RAF/87/R51	France	Regional	Support for round-table process	02/12/86	655 222	609 322	45 900
RAF/88/R51	Sweden	Regional	Agricultural operations technology	N/A	2 868 180	2 662 900	205 280
RAS/85/R51	Italy	Regional	Asian Institute of Technology	31/08/86	785 210	728 174	57 036

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Project No.	Funding agency	Country	Project name	Signature	Total budget	Budget	Management fee
					(United States dollars)		
RLA/86/R51	Italy	Regional	Programme identi. El Salvador/Guatemala	26/09/86	300 012	269 768	30 244
RLA/88/R51	Italy	Regional	Street children project	01/12/88	1 766 503	1 626 320	140 183
SEN/89/RS1	Sweden	Senegal	TA to reafforestation project	14/12/91	317 134	273 410	43 724
SEN/89/RS2	Sweden	Senegal	Technical support to SEN/89/X08	02/06/91	2 806 595	2 551 450	255 145
SEN/90/R21	Japan	Senegal	Procurement of commodities	17/10/90	285 000	0	285 000
THA/88/R51	Finland	Thailand	Forestry master plan	09/01/90	3 816 833	3 576 333	240 500
TOG/89/R21	Japan	Togo	Procurement of commodities - 2nd grant	02/04/90	3 984 649	3 799 649	185 000
TUR/90/R51	United States of America	Turkey	Vocational training and job placing	N/A	9 957 000	9 375 708	581 292
UGA/89/R51	Sweden	Uganda	Relief and social rehabilitation	14/03/90	246 645	227 680	18 965
Grand total for 59 projects:					192 457 296	181 440 379	11 016 917

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FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

UNDP FINANCIAL REGULATIONS

Matters on which consensus was not achieved at the thirty-seventh session

Report of the Administrator

SUMMARY

At its thirty-seventh session (1990), the Governing Council considered proposed financial regulation 4.6 and the other matters on which consensus had not been reached at the thirty-fifth session (1988).

By its decision 90/49 of 22 June 1990, the Council decided that the Budgetary and Finance Committee will consider, at the thirty-ninth session (1992), proposed financial regulation 4.6 and the other matters on which consensus was not reached at the thirty-seventh session.

As no new elements regarding this item have been introduced since the thirty-third session of the Council, the Administrator is of the opinion that the substance of his note submitted to that session, contained in document DP/1986/63, and which is reproduced in this document, will provide the Council with the basis for its consideration at the thirty-ninth session. Should consensus be reached, appropriate modification to the proposed texts will be made.

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Proposed financial regulation 4.6 (text A in the annex)

1. This text, which was proposed by a member of the Governing Council in 1981, provides a definition of the term "readily usable" with respect to the currency of voluntary contributions. This definition provides that a voluntary contribution to the United Nations Development Programme (UNDP) shall be deemed readily usable if previous accumulations of contributions from the donor country amount to less than the contribution itself; the definition must be read in conjunction with the existing regulation 4.5, the text of which is as follows:

> "Voluntary contributions shall be made in currencies which are readily usable by UNDP, consistent with the need for efficiency and economy of operations or convertible to the greatest possible extent into currencies readily usable by UNDP."

Subparagraph 8 (b) of decision 81/16 (text B in the annex)

2. This text also appears as paragraph 16 (b) of decision 80/30, "Preparations for the third programming cycle, 1982-1986". The words contained in round brackets in the text as shown in the annex reflect proposals put forward by two groups of members of the Governing Council; the two different versions of this subparagraph can be rendered as follows:

Version 1 In view of the multilateral nature of the Programme, non-recipient donor countries which make their voluntary contributions wholly or partly in non-convertible currencies shall pay a gradually increasing share of their contributions in convertible currencies so that their contributions will be fully convertible by the year 1985.

Version 2 In view of the multilateral nature of the Programme, non-recipient donor countries which make their voluntary contributions wholly or partly in their national non-convertible currencies are requested to pay, if possible, a gradually increasing share of their contributions in convertible currencies.

Subparagraph 8 (c) of decision 81/16 (text C in the annex)

3. This text also appears as paragraph 16 (c) of decision 80/30, "Preparations for the third programming cycle, 1982-1986". The words contained in round brackets in the text as shown in the annex reflect proposals put forward by different members of the Governing Council; two different versions of this subparagraph can be rendered as follows:

Version 1 Meanwhile, entities headquartered in a net donor country which has contributed in a non-convertible currency shall be reimbursed for services and equipment purchased under the Programme only in the currency of that country where such a currency is accumulated and until such accumulation is used; conversely, if, when utilizing a non-convertible contribution, costs are incurred in other currencies, these shall be reimbursed to UNDP in the form of a convertible share of the non-convertible contributions.

Version 2 Meanwhile, entities headquartered in a net donor country which has contributed in a non-convertible currency shall be reimbursed for services and equipment purchased under the Programme in the currency in which the contribution is paid where such a currency is accumulated and until such accumulation is used.

These texts should be read in conjunction with the decision taken by the Council in February 1977, which reads as follows:

"Requested the Administrator to take the necessary steps to ensure that all payments for goods and services (including the provision of equipment, subcontracts, transport, etc.) rendered to all UNDP-financed projects by entities headquartered in countries whose currencies have been accumulated in UNDP are made exclusively in currencies in which their country contribution is paid to UNDP until these accumulations are used, and further requested the Administrator to make a detailed status report to the Governing Council as soon as possible but not later than the twenty-sixth session of the Council on (i) the measures he has taken to implement this request; and (ii) the problems, if any, he has encountered in its implementation." 1/

4. The Governing Council is requested to consider whether agreement can be reached on the matters contained in these texts so that the UNDP financial regulations can be issued in final form. Any agreement reached regarding the matters covered by texts B and C would need to be reflected in appropriate financial regulations. It should also be noted that there should be no inconsistency between the conclusions which may be reached on these texts; for example, agreement on a text similar to version 1 of text B would remove the need for a definition as proposed in text A.

Notes

1/ Official Records of the Economic and Social Council, Sixty-third Session, Supplement No. 3 (E/5940), para. 58 (n).

Annex

TEXTS ON WHICH CONSENSUS HAS NOT BEEN ACHIEVED

A. Proposed financial regulation 4.6

[Regulation 4.6: A voluntary contribution to UNDP shall be deemed readily usable if previous accumulations of contributions from the donor country amount to less than the contribution itself.]

B. Subparagraph 8 (b) of decision 81/16

[In view of the multilateral nature of the Programme, non-recipient donor countries which make their voluntary contributions wholly or partly in (their national) non-convertible currencies (shall pay) (are requested if possible to pay) a gradually increasing share of their contributions in convertible currencies (so that their contributions will be fully convertible by the year 1985)]

C. Subparagraph 8 (c) of decision 81/16

[Meanwhile, entities headquartered in net donor countries which have contributed in non-convertible currencies where such currencies are accumulated and until such accumulations are used shall be reimbursed for services and equipment purchased under the Programme (only in the currency of that country) (in the currencies in which their contribution is paid): (conversely, if, when utilizing a non-convertible contribution, costs are incurred in other currencies, these shall be reimbursed to UNDP in the form of a convertible share of the non-convertible contributions)].